

January 23, 2014

By E-mail

Honorable Richard J. Sullivan
United States District Judge United States District Court
Southern District of New York
500 Pearl Street
New York, New York 10007

Re: *Securities and Exchange Commission v. Amerindo Investment Advisors Inc. et al.*; Case No. 05-cv-05231-RJS

Dear Judge Sullivan:

I am the Court appointed receiver (the "Receiver") in the above-referenced matter. Pursuant to the Receiver's Initial Report and Recommendations of May 30, 2013, which report was "so-ordered" by the Court on June 19, 2013 [ECF Doc. No. 290] and the Court's accompanying order dated June 19, 2013 [ECF Doc. No. 291] (together, the "R&R Orders"), the Receiver is authorized, among other things, to establish a Distribution Fund to "be held in accounts to be maintained at JP Morgan." The R&R Orders further provide that "J.P. Morgan is directed to liquidate the Public Securities and deposit the proceeds, less the amount of J.P. Morgan's reasonable fees and expenses, into the appropriate Distribution Accounts." As indicated in the Receiver's Second Status Report dated October 4, 2013, the Distribution Fund has been established and consists of accounts maintained at J.P. Morgan (the "J.P. Morgan Accounts") [ECF Doc. No. 314].

The Receiver believes that the R&R Orders implicitly, if not explicitly, authorize J.P. Morgan to deduct monthly custodial fees from the accounts at J.P. Morgan comprising the Distribution Funds. A statement setting forth the current and outstanding custodial fees owed to J.P. Morgan is attached.¹ Nevertheless, given the at times acrimonious tenor of these proceedings and in the interest of transparency, the Receiver is advising the Court and the various parties in interest that he intends to pay the outstanding custodial fees from the J.P. Morgan Accounts by the close of this month. Thereafter, the monthly custodial fees shall be paid from the J.P. Morgan accounts as such fees become due.

Respectfully submitted,
Gazes LLC

By: /s/ Ian J. Gazes
Ian J. Gazes, Receiver

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AUSA Sharon Cohen Levin (Sharon.Levin@usdoj.gov)

¹ It is the Receiver's understanding that no custodial fees have been assessed against or deducted from the J.P. Morgan Accounts since approximately May 2005.

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Attachment (1)

J.P.Morgan

Prime Broker Services

Amerindo Investment Advisors

Quarterly Statement

4th Quarter 2013

Administrative Fee	<u>Charge</u>
Custodial Fee October 2013*	\$5,000.00
Custodial Fee November 2013*	\$5,000.00
Custodial Fee December 2013*	\$5,000.00
GRAND TOTAL	\$15,000.00

*The above custodial fees are in reference to the following accounts: 102-17995, 102-01485, 102-01490, and 102-01495

Payment due upon receipt